

Enjoy cheap mobile broadband while you can, warns Broadband Genie

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Data hungry consumers should make the most of cheap mobile broadband while they can, according to broadband comparison website Broadband Genie (<http://mobile.broadbandgenie.co.uk>). However, there could be good news ahead for more occasional users as mobile broadband providers seem set to adopt a 'pay for what you use' approach to help balance the books.

Two new reports from top broadband industry analysts - Omnitele and Strand Consult - have arrived at the same conclusion: the cost of rolling out and maintaining mobile broadband technology means the business model used by providers is unsustainable - essentially, they are losing money on what should be their new cash cow and they don't like it.

Broadband Genie editor Chris Marling said: "UK broadband providers are no mugs; prices are currently low as companies fight for numbers in a growing market, but they realise the situation isn't sustainable and will be looking to change packages and turn a profit in the near future. Raising prices for heavy users, who are typically early adopters to new technology, makes financial sense. This will leave more leeway in prices to attract those casual, mainstream users who may still need some convincing."

While mobile broadband is becoming more and more popular, defying the credit crunch against the odds, there has been a recent downturn in voice revenues - and so lower profits for mobile providers. As this trend is likely to continue, it could well be bad news for your mobile broadband bills as early as next year.

So how might the internet service providers hit you in the pocket? According to Antonios Drossos, vice president of Omnitele's business consulting unit, "controlling busy hour traffic of heavy users" and "adjusting retail pricing" are two of the most straightforward options. Of course, neither of these sound like good news for consumers.

A report from Strand Consult broadly agreed. Speaking to Broadband Genie, CEO John Strand commented: "Part of the service that is free on fixed-line home internet will cost money. We expect mobile broadband operators will launch mobile broadband products which cannot be used with VoIP [internet telephony] and P2P [peer-to-peer file downloading] services. However, the connection will be cheap and far below what we pay for home broadband."

Marling went on: "This could then have implications for fixed-line broadband providers, who may also have to rethink how they price their packages. Those customers who download a lot of content will probably have to pay for it, while less bandwidth intensive consumers may see prices fall."

Strand agreed, concluding: "You will see this pricing change in a number of European countries this year. I expect it will happen in the UK by Q1 2010. These price developments on the mobile broadband market will put pressure on home broadband providers, as a lot of customers will disregard fixed-line for a mobile solution."

For more information and independent buying advice on both broadband and mobile broadband, visit

<http://www.broadbandgenie.co.uk> (<http://www.broadbandgenie.co.uk>) or
<http://www.broadbandgenie.co.uk/mobile> (<http://mobile.broadbandgenie.co.uk/>).

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